



Dennis Braddock
Secretary

– Presenting a DSHS
Performance award to Valerie
Marshall, Foster Care Recruitment
Specialist in Spokane

Our Mission

*To improve the quality of life for
individuals and families in need.*

*We will help people achieve
safe, self-sufficient, healthy and
secure lives.*

CONTACTS

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CHANGE TO AN ORGANIZATION can be imposed from without, through legislative or policy changes, or it can come from within, the result of deliberate moves by management and employees to improve the function of the organization. It can come fast, or take time. This paper highlights recent efforts by policy makers and the department to improve service delivery through consolidation, reorganization, and application of new technology. Examples of rapid and long-term changes are provided on the next four pages, and contact information is provided for the seven Assistant Secretaries of the Department of Social and Health Services (DSHS). These are the senior level executives who – on a day-to-day basis – take individual and personal responsibility for delivering services. For more information, readers are invited to contact these individuals or their program managers directly.

A HARD LOOK WITHIN

Within the Department of Social and Health Services we are committed to taking a hard look within, improving services delivery, strengthening accountability, and realigning the social service delivery system. DSHS managers realize the one thing we can say for certain is that the future will be different, and we look to all levels of the organization for opportunities to improve. The challenges for DSHS administrators are substantial.

Today the state population stands at six million people, nearly double the number when our statutes were written in 1970. In some way, shape, or form, we deal with all of these people on a daily basis, about one in five directly through institutional, medical, or economic support, and the remainder by:

- Protecting society from those who may be dangerous,
- Sustaining a medical and financial system all of us can rely on if we can't rely on ourselves,
- Providing work training and job supports for Washington businesses,
- Licensing and monitoring systems for child care centers, adult family homes, and other caregivers, and
- Maintaining a 24-hour support, 365 days a year for persons in crisis.

RECENT EFFORTS TO STREAMLINE AND CONSOLIDATE

AGING AND DISABILITY SERVICES ADMINISTRATION

- The **Aging and Disability Services Administration** recently amended Washington Administrative Code (WAC) to define the eligibility criteria regarding annuities, reducing the potential for sheltering assets, thereby increasing the amount contributed to care. A contract with the Department of Veterans Affairs was also eliminated. Total programmatic savings for 2001-03 are \$510,000. Nearly \$1 million in additional savings has been realized through various staffing reductions and administrative changes.
- The **Developmental Disabilities Division** closed eight cottages at the Residential Habilitation Centers, reduced professional services, and is implementing staff reductions at Yakima Valley and Lakeland Village. Programmatic reductions will affect over 250 employees and save over \$17 million.

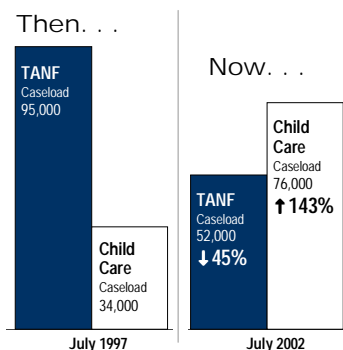
Causing Change

One way is quickly –

The TANF Example

Enabled by:

- Rewriting laws and requirements
- Reorganizing the money
- Overhauling programs

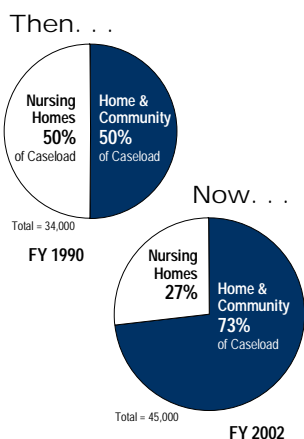


Another way is quietly over time –

The Example of Home and Community Care

Brought about by:

- Setting long-term strategies
- Making incremental changes
- Letting budgets adapt



CHILDREN'S ADMINISTRATION

- The **Children's Administration** centralized its intake function, reduced **Family Reconciliation Services**, and implemented an approximate 30 percent reduction in home support specialty services. Programmatic savings total 83 employees and almost \$4 million in 2001-03. An additional \$1.2 million has been saved through travel, equipment, and training reductions.

ECONOMIC SERVICES ADMINISTRATION

- The **Economic Services Administration** closed five local Community Services Offices, realigned a number of core business functions, and reduced ESA staffing by 374 positions. Downsizing of headquarter and field operations has saved \$19.9 million.
- The transfer of some MEDS (eligibility determination for children and pregnant women) functions to **Economic Services Administration** eliminated a total of 39 positions within Medical Assistance Administration, with 19 positions added to ESA. The change will allow clients to receive service at one location for most benefit programs. Total savings after phase-in will be \$1.4 million annually.
- The **Economic Services Administration** also established the **Division of Child Care and Early Learning** in July 2001 that brings together child care policy and subsidy programs, licensing, and early childhood programming from different parts of state government to better coordinate services for families and providers.

HEALTH AND REHABILITATION SERVICES ADMINISTRATION

- The **Division of Mental Health** recently closed four wards at **Western State** and one at **Eastern State Hospital** for people no longer meeting the criteria for inpatient involuntary commitment and who are ready for discharge from state psychiatric hospitals. Hospital downsizing efforts reduced staff by 206 employees and are saving \$11.1 million in 2001-03.
- The **Division of Alcohol and Substance Abuse** has transferred, reassigned, and eliminated functions to save \$430,000 and 10 employees in 2001-03.
- The **Division of Vocational Rehabilitation** recently invoked an Order of Selection process after finding that expenditures had exceeded the funding level and there were insufficient staff necessary to serve clients. Mid-management staff was reduced across the organization, saving \$300,000 in 2001-03.

JUVENILE REHABILITATION ADMINISTRATION

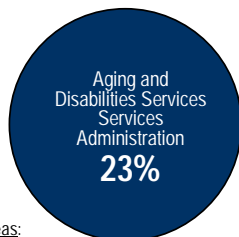
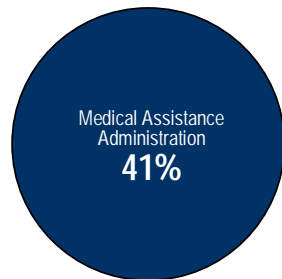
- The **Juvenile Rehabilitation Administration** closed Mission Creek Youth camp, a 64-bed unit at Maple Lane, restructured aftercare parole services, and reduced employment and education programs to achieve a 102 employee reduction and save over \$7 million in 2001-03. Over \$1 million additional savings have been identified through administrative and service delivery changes.

MEDICAL ASSISTANCE ADMINISTRATION

- The **Medical Assistance Administration** is using additional resources to achieve over \$82 million in program savings through the Utilization and Cost Containment Initiative. Other initiatives – which are expected to save an additional \$45 million – include reducing payments for prescription drugs, implementing disease case management, imposing premiums on transitional TANF clients, streamlining claims processing, instituting HIV cost controls, and reducing the cost of interpreter services. Directing legal immigrants and undocumented children to the Basic Health plan is reducing MAA General Fund-State expenditures by \$23 million.

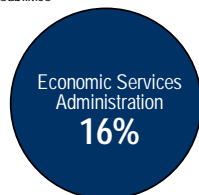
The DSHS Budget Universe

ALL FUNDS Total = \$14.1 Billion



Budget Areas:

- Aging and Adult Services
\$2.1 billion (15%)
- Developmental Disabilities
\$1.2 billion (8%)



Budget Areas:

- Mental Health
\$1.2 billion (8%)
- Alcohol and Substance Abuse
\$0.2 billion (1%)
- Vocational Rehabilitation
\$0.1 billion (8%)



Budget Areas:

- Payments to Other Agencies
\$0.1 billion (1%)
- Administrative Support Services
\$0.1 billion (1%)

MANAGEMENT SERVICES ADMINISTRATION

- The **Financial Services Administration Office of Financial Recovery (OFR)** recovered over \$288 million owed to DSHS in FY 2002. This represents a \$40 million increase over the previous year, with 10 fewer employees. The cost of recovery was one dollar for every \$24 dollars recovered.

DEPARTMENT REORGANIZATIONS

- Major overhaul of the agency's **human resource functions** to eliminate redundancies, transferring several functions to program managers, saving 16 employees and over \$700,000 in 2001-03.
- Elimination of Secretary-level review for public assistance entitlement programs and child support hearing **decisions issued by the Office of Administrative Hearings**. Secretary-level review of licensing and abuse cases will continue, saving 7 employees and over \$400,000.
- Consolidation of the divisions of **Budget and Finance** into a single Financial Services Administration in August 2002 to better manage the department's fiscal resources. These two divisions took a 27-employee reduction in the 2002 supplemental budget, saving \$1.2 million for the 2001-03 Biennium.
- A merger of the **Division of Developmental Disabilities and Aging and Adult Services Administration** to strengthen accountability in managing resources and meet federal requirements, forming a single Aging and Disability Services Administration aimed at long-term savings through collaborative contracting and purchasing power, uniform lines of contact, and a smaller bureaucracy overall.
- To realign and preserve the quality and effectiveness of core client services while saving money, the **Division of Alcohol and Substance Abuse** reduced 10 percent of its headquarters staff in a recent reorganization.
- The **Division of Vocational Rehabilitation** also reduced its regional management staff by 13 positions and converted six of these positions to counselor positions, which allows the division to serve 1,560 more clients a year.

APPLICATION OF NEW TECHNOLOGIES

DSHS moves over \$7 billion a year in public funds through the department. Over 80 percent of these dollars go immediately to vendors and clients, and considerable attention is given to processing the funds and managing transactions. Oversight is significant, and efforts to improve the system are constantly underway. Several innovative technology-driven business models have been applied in recent months that are improving claims processing and resulting in a better system of service delivery for clients and vendors:

- A recent recipient of the Governor's Award for Service and Quality Improvement is Economic Services' **Online CSO**, the nation's first Internet application for public assistance, including food, medical assistance, and child care.
- Enhancing customer access and allowing faster and more convenient payment and processing of child support via the Internet, is Economic Services' web-based **Child Support Internet Payment System**.
- A recipient of the "Outstanding Achievement in Information Technology" award from the National Association of State Chief Information Officers (NASCIO) is the **Washington Combined Application Program (WASHCAP)** that delivers food assistance to the elderly, blind and disabled through an automated interface with the Social Security Administration and a centralized service center.

What's involved in managing a \$7 billion annual budget?

Day-to-day oversight of almost \$20 million a day

Behind the scenes centrally, DSHS oversees almost \$20 million daily in transactions, over 80 percent of which is paid directly to service providers and clients.

The professionals who conduct these transactions are required to have extensive financial and budget experience and meet stringent security requirements. They provide direction to programs to assure uniform accounting procedures, assure ongoing maintenance of the department's financial systems, and recovery of dollars from the public for money owed the state.

Coordination with the State Auditor's Office, Office of Financial Management, State Treasurer, and federal and local governments in conducting these transactions is a minute-by-minute activity, and is very extensive.

Federal funding represents half of the DSHS budget, and the department's financial staff maintains responsibility for managing federal grants that support the department's programs.

Daily revenue draws and reimbursement processes are part of this function, as are preparation of cost allocation plans, development and maintenance of the agency's Chart of Accounts, receipt of cash payments, preparation and distribution of Internal Revenue forms.

Databases supporting these functions are also managed by the DSHS financial staff, as is compliance with federal and state acts governing public funds. Internal and external auditing functions assure the proper accounting of all these dollars.

Other activities provided centrally are cost recovery for:

- *The Drug Rebate Program – Over \$100 million a year*
- *The Estate Recovery Program – Over \$10 million a year*
- *Food Stamp Collections – Nearly \$3 million a year*

- Reviewing provider payments to identify transactions that may be fraudulent or in error and recovering costs, is MAA's **Payment Review Program**.
- Using a web-based, real-time information and improving services to contractors and clients, is the Division of Alcohol and Substance Abuse's **Client Service Database**.
- Using cable Internet connections for more cost-effective communications to outlying offices, and eliminating a number of toll free listings, is Aging and Adult Service's new **Multiple Region Telecommunications System**.
- Improving confidentiality of client information and increasing network security, is the Information Systems Services' **Strategic Network Security Plan**.
- Providing forms electronically via the Web is the **DSHS Electronic Form Warehouse**, almost entirely replacing the previous (paper) warehouse, the need for leased storage space, and paper maintenance. Employees and businesses receive instant access to forms and more timely information.
- The **E-Purchasing System** automated all purchasing functions, from initiating to ordering, into a database saving \$15,000 and 12,000 staff hours per year.
- The Economic Services Administration's **Support Enforcement Management Imaging System** processed and stored more than one million images a month in 2002 and the number continues to grow. The Division of Child Support Fife office became fully imaged in July 2002, resulting in the nation's first "paperless office" in child support programs. Using this proven model of efficiency, DCS is now converting the nine other offices throughout the state with completion scheduled for June 2003.

RECENT QUALITY IMPROVMENTS

The department has undertaken a number of quality initiatives designed to better run the organization. Quality improvement is an ongoing practice, worthy of recognition, and a management priority for DSHS:

- Information has been collected from an all-inclusive **DASA Client Survey Project** enabled Division of Alcohol and Substance Abuse (DASA) as well as each of the participating providers, county human services agencies, and advocacy organizations, to build more effective and efficient services for their clients.
- Mental Health Division's **Audit Consolidation Project** recently streamlined national and state Mental Health audit processes and standards to improve patient care and save staff time devoted to audits.
- The **Assistive Technology and Treatment Center** at Fircrest has developed teams of experts who primarily use technology to increase levels of independence and health for our clients with developmental disabilities.
- A team produced the **Journey through the Healing Circle**, a series of training resources for foster parents, tribes, schools, service agencies, and medical professionals, to improve prevention against Fetal Alcohol Syndrome and Fetal Alcohol Related Conditions.
- The department and the Office of Financial Management entered into a joint **Financial Reporting Improvement Project** (FRIP) to consolidate department cost allocation features, functions and DSHS financial data in one statewide system (AFRS) which will result in simpler processing and reduced reconciliation efforts.